

HOUSE OF REPRESENTATIVES

MONDAY, MAY 1, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Our Lord and Master, we rejoice at Thy loving fatherhood. When we waver, when we drift, when we stumble, when we are tempted, in all the emergencies of life we have an unfailing source of consolation—our ever blessed Father in Heaven. With this common thought of Thee and of one another may we go through the labors of this day. We pause, we hesitate. Words fail to express our sorrow at such a moment as this. Our brother, a splendid servant of the public, a fine type of Christian manhood, has left the scenes of this Chamber. Father, comfort the afflicted ones who are left, and at last bring them unto Thyself, where they shall no longer look through a glass darkly. Almighty God, be with those who are in any form of adversity. In the home circle, in the business affairs, in any experience which is difficult, O be Thou their comfort and support. May we all realize that the whole of life is a fleeting scene and that the true realm is the invisible one beyond. In the name of our Savior we pray. Amen.

The Journal of the proceedings of Friday, April 28, 1933, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3835. An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 753. An act to confer the degree of bachelor of science upon graduates of the Naval Academy; and

S. 1415. An act to amend sections 5200 and 5202 of the Revised Statutes, as amended, to remove the limitations on national banks in certain cases.

The message also announced that the Senate had agreed to the amendment of the House to a joint resolution of the Senate of the following title:

S.J.Res. 13. Joint resolution authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J.Res. 13. Joint resolution authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered.

PRAISE OF CONGRESS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to incorporate therein a remarkable article, remarkable in that it says nice things about this Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. Mr. Speaker, thanks to the gracious action of the House, I was this morning granted permission to extend my remarks and to incorporate therewith something out of the ordinary with reference to our Congress. I find it in the resolution unanimously adopted by the House of Representatives in Nebraska a few days ago, a resolution conveying a message of cheer and encouragement to President Roosevelt and to the Congress anent their courage and fortitude in accomplishing legislation looking to lifting our country out of the ditch of depression into which it was pushed by unholy hands. I am greatly gratified that such a resolution should come from my own home State, a State which for long years has stood very near to Ben Adhem's place in the ranks of States with reference to percentage of literacy, notwithstanding the fact that the people of Nebraska have been officially listed by one of the angels of Mellonism as "The Sons of Wild Jackasses." The resolution to which I refer reads as follows:

Resolution conveying message of good cheer and encouragement from Nebraska House of Representatives to Franklin D. Roosevelt, President of the United States

Preamble

Whereas our beloved President, Franklin D. Roosevelt, since his inauguration on March 4, 1933, with fortitude and courage has "hurled his lances full and fair against the defamers" of our country's welfare; and

Whereas, with the exception of a few scattered snipers for the industrial oligarchy, Republicans and Democrats alike in the Congress have cast aside petty partisan politics for the public good; and

Whereas in these trying days even the stout heart of the President, who is wisely and surely leading this Nation to the high hill from whence we begin to see the dawning of a new day of hope and opportunity for the masses of our people, should know that the citizens of this country in unison voice approval of his policies and program; and

Whereas buying of the entire Nation has been spurred by the inflation prospect and a pronounced quickening has been seen in industry and commerce in commodity prices; and

Whereas the price of agricultural products has increased, due to inflation steps taken by the President at Washington: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in forty-ninth regular session assembled—

1. That this house, expressing the true sentiments of the people of the State of Nebraska, convey through this resolution our confidence in, our trust in, and our support for the policies and principles which our President, as the executive head of the National Government, and through the Congress, seeks speedily to put into force and effect to the end that the deplorable condition of our people may be ameliorated; and may Franklin D. Roosevelt, our President, be sustained and strengthened in the great problems which confront him when we say to him that the people of Nebraska extend good cheer and encouragement for the noble efforts which he is successfully making to stabilize the affairs of this Nation.

2. That this house, without hesitation, endorse the President's plan for the inflation of the currency, as set forth in part 6 of the farm bill, for financing and exercising powers conferred by section 8 of article I of the Constitution, to coin money and regulate the value thereof, which we believe is the greatest step ever taken for the good of humanity.

3. That this house commends the President for the statesmanship displayed by him in the management of the bank holiday, whereby he whipped to justice the hoarders of gold and prevented the flight of American dollars abroad.

4. That this house commends the President for prompt initiation of his defensive measure in temporarily abandoning the gold standards insofar as it relates to foreign competition; and we further urge that, without delay, the President reduce the quantity of gold in the standard dollar from the present 23.22 grains to 11.61 if the creditor class of this country in possession of \$200,000,000,000 of the Nation's wealth fail to employ the fabulous sum of money for the uses of the worthy debtor class upon the basis of a fair interest return, payment of the principal to be amortized over a long period of years, to the end that the returns from the land and from the fruits of labor may repay the creditor without placing obstacles in the path of rehabilitating the debtor, thereby, if the creditor class fails to do its duty in this emergency, taking the wealth away from those who did not earn it and transferring its use under reasonable conditions to those deserving people in our country who have lost it.

5. That this house memorializes the President to provide the United States with bimetallic currency of gold and silver, companies as media of exchange since the era of all antiquity; and favors legislation known as the "Wheeler bill" (S. 2487), which contemplates the free coinage of silver to fix the relative value of the precious metals and thereby provide a uniform currency for the world with which to facilitate trade.

6. That this house unqualifiedly endorses the affirmative steps heretofore taken, as well as those now proposed, by the President

to lend the credit of the United States to home owners, land owners, and other worthy groups and enterprises which are capable of being financed on a self-liquidating basis.

7. That the chief clerk of this house be ordered and directed forthwith to forward to Franklin D. Roosevelt, President of the United States, a copy of this resolution, properly certified and suitably engrossed, as evidence of the love and confidence which the State of Nebraska has in him.

JOHN HAVEKOST.

I hereby certify that the above and foregoing is a true and correct copy of said resolution as passed by the house of representatives in forty-ninth session assembled this 27th day of April 1933.

MAX ADAMS,

Chief Clerk of the House.

INTERNATIONAL COOPERATION UNDER OUR CONSTITUTION

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD an address by my colleague the gentleman from Tennessee [Mr. McREYNOLDS] before the American Society of International Law at its twentieth annual dinner at the Willard Hotel, April 29, 1933.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by the Honorable SAM D. McREYNOLDS before the American Society of International Law at its twenty-sixth annual dinner at the Willard Hotel, April 29, 1933:

It is a happy augury that the American Society of International Law should have been meeting in Washington during the course of this week. The work of this society has always been important to the current work of the Government of the United States. Never before, however, have you met here under conditions in which the subject of your interest was so intimately and vitally associated with the problems which are uppermost in the activities of our Government. During the course of the present week our President has been conducting a series of international conversations with the visiting heads of various other governments, and I feel sure that the purpose and direction of those conversations, fraught with such significance for the people of our country, must have been very much in the minds of the members of this society.

One does not need to be an expert on the economic problems of the day to know that these problems cannot be met by any government in the world acting alone. Whether we like it or not, the interests of the American people are today bound up with the interests of peoples in other parts of the world. Our problems and their problems are, to a great extent, common problems, and if it was not already clear to us I think it must now be evident from the very acuteness of our situation that action must be taken by our Government, in cooperation with other governments, to meet these problems. That is the significance of the conversations which have been held here during the past week. The President has been preparing the ground for the success of the International Economic Conference which is to meet in London, and upon the issue of his conversations depends also the result of the Disarmament Conference which is now in session in Geneva.

Whatever be the particular problem of the moment in which one is most interested, little progress can be made until it is realized that we are living in an era when, as never before in history, cooperation must be on a world-wide scale. At one end of the Capitol the problem of currency has engrossed attention during the past few days. No judgment of our currency problem can be formed which does not take account of the reactions in other countries of any policy which we may formulate. At the other end of the Capitol we have been considering problems relating to our trade, and immediately we are faced with the necessity of inquiring into the international effect of measures which we would adopt and of measures which other peoples may also adopt. Whatever may have been our preoccupations with reference to the past policies of the United States, whatever positions we may have taken with reference to problems which arose years ago, today we are compelled to adopt a policy of cooperating with other peoples and of organizing our own Government with a view to making that cooperation effective. This, I take it, was what the President had in mind in his inaugural address last month when he dedicated "this Nation to the policy of the good neighbor." Neighborliness may not always be based on a desire to play the role of the good Samaritan, but I think it must always be based upon a desire to meet common problems with a common policy. Cooperation is the essence of good neighborliness, and the President has already shown that his adoption of this policy is to rest, not merely on words but also on action directed to the common good.

I feel that it is a fortunate thing for the people of the United States that we have a Constitution which does not prevent our playing the role of a good neighbor, as I have explained it, in times such as these through which we are passing. It is true that we have the oldest Constitution existing in the world today. Very soon a century and a half will have passed since that Constitution took its form, and yet, through all the strains of this century and

a half, we have been able to find within its framework the possibility of our acting to advance our national interest. The thought I have been so admirably put by the President that I must again quote from his inaugural address: "Our Constitution", he said, "is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form." It is the application of this principle, which the President has enunciated, to some of our present problems which I should like to emphasize this evening.

Under our Constitution the cooperation of our Government with other governments of the world may take one of several different forms. First of all, there are the formal treaties concluded by our Government in such large number. I believe this society has often discussed the treaty-making power of our Government, and I shall not deal with it tonight. In the second place, there are the less formal Executive agreements, which have been made by the President throughout our history and which play today an important role in international law. I believe this society has also discussed from time to time the constitutional basis of Executive agreements, and I shall not deal with that subject tonight. In the third place, the cooperation of our Government with other governments may be based upon a statutory authority, without going so far as to result in a formal treaty or in an informal Executive agreement. It is this form of cooperation to which I would address myself, and I do so because of some recent experience which has directed my attention to it in connection with our present-day problems.

For some weeks past the Committee on Foreign Affairs of the House of Representatives has had under consideration a resolution concerning the exportation of arms or munitions of war. It is not my purpose this evening to deal with the merits of that resolution. It had the support of the late administration, and it has the support of the present administration; it received the support of my committee, and it was voted overwhelmingly in the House of Representatives a few days ago. In my judgment, this resolution is an essential piece of legislation if our Government is to play its proper role in international affairs. But I don't want to deal with its merits. I invite your attention to the topic only as an example of the many fields which call for a type of international cooperation.

The resolution which was passed by the House of Representatives gave certain powers to the President to be exercised by him after he had secured the cooperation of such other governments as he deemed to be necessary. Clearly, if any embargo is to be placed upon the shipment of arms to a particular country, the United States must act in unison with other countries or else our action will be wholly ineffective. We could not penalize our own manufacturers to the advantage of their competitors in other lands. It was a great astonishment to me, therefore, when several men, learned in international law and I believe members of this society, questioned the constitutionality of the pending resolution on the ground that it would "enable the President to make international engagements of the most far-reaching kind at his will", and would therefore be a delegation of treaty-making powers. Of course, as that argument was advanced it did not take account of the actual wording of the resolution before the House; the resolution would not authorize the President to enter into international engagements; it would merely authorize him to act in cooperation with other governments. The President might secure such cooperation by persuading other governments to act on a common policy with our own. Now I need not point out to this learned society that if two governments act on a common policy they do not necessarily engage to do so, nor do they engage to continue to do so. What the resolution proposes is not that the President should enter into engagements with other governments, but that he should enter into negotiations with them with a view to the adoption in particular circumstances of a common policy. The resolution does not confer power on the President. He has power to negotiate already. It merely directs him to exercise his power of negotiation for the purpose of seeing that action taken by the United States is at the same time paralleled by action taken by other governments, if necessary.

Aside from the misconception of the words used in the resolution, however, it was a matter of some astonishment to me that anyone should at this state of our national history attempt to question the constitutionality of legislation which would call for the President's action in cooperation with other governments. Throughout our national history, legislation has authorized the President to take action only after negotiations with other governments. Our legislation to this effect dates since the early days of the Republic, and it applies to a variety of subjects. Members of this society will be very familiar with the nonintercourse acts of our Government more than a century ago, and I will mention particularly the acts of 1809 and 1810, which conditioned the suspension of trade provided for upon the President's proclamation of the attitude of other governments. Dealing with more recent examples, our tariff legislation has long proceeded on this principle. Under the Tariff Act of 1890, the President was empowered to suspend free entry of certain articles from other countries if he was satisfied that their governments imposed unequal and unreasonable duties on our products. In a celebrated case before the Supreme Court, the case of *Field against Clark* in 1892, the constitutionality of this provision in the Tariff Act of 1890 was attacked and it was contended that the provision delegated to the President "both legislative and treaty-making powers." In that case the Supreme Court reviewed our legislation at great length, and it found numerous precedents to show "that in the judgment of the legislative branch of the

Government, it is often desirable, if not essential for the protection of the interests of our people, to invest the President with large discretion in matters arising out of the execution of statutes relating to trade and commerce with other nations." The Supreme Court, therefore, held that the tariff act did not transfer legislative and treaty-making power to the President, and more recent legislation, particularly in 1897, has followed the act of 1890.

The members of this society will also be familiar with numerous other legislative provisions directing the President to take certain action as a result of the attitude of other governments. Such legislation deals with our reciprocal copyright relations, with relief from double income tax on shipping profits, with discriminating tonnage duties, and with a host of other topics.

Now, it was this long course of legislative history upon which the resolution before the House of Representatives was framed, and I think members of this society will understand why many of my colleagues were astonished that the views should have been presented by eminent international lawyers that the pending legislation was unconstitutional.

I speak of this matter tonight, not because of my interest in the arms embargo resolution but because of my interest in the efficiency of the Government of the United States in dealing with the national emergency. I must repeat that in my judgment it is most fortunate that the Constitution does not frustrate our Government in an era of international cooperation. Being a lawyer myself and having served for many years on the bench, I hope you will understand my saying that the problems of the present day are not to be solved by a narrow legalistic attitude toward the Constitution. The Constitution of the United States is above all an enabling instrument. It enables the President, with the advice and consent of the Senate, to make treaties; it enables the President, with statutory authority, to enter into Executive agreements; it enables the President, within limitations set by legislation, to conduct the foreign policy of the United States in such a way that we do not occupy an isolated position in the world. I am profoundly grateful to the framers of our Constitution that they should have worked so successfully that today we have a constitutional system which can be adapted to meet the problems with which we are confronted.

It is quite true, as an eminent journalist informed us in yesterday morning's paper, that the Constitution forbids Congress to abdicate; but as I read it the Constitution also forbids the Government of the United States to abdicate in a great emergency and it forbids Congress in a situation such as the present one to stultify the Government of the United States by making it impossible for us to occupy our proper positions in the world. The President has given us the lead in his inaugural address. I hope his efforts will find the warmest sympathy here among the members of the American Society of International Law. I hope that his hands will be held up during these weeks when he is attempting to work out, with other governments, a common policy to meet the depression, and I look forward to the future with confidence, because I feel that we are on the right road toward a cooperative solution of world problems.

"DOINGS" OF CONGRESS—THEIR EFFECT ON THE LUMBER INDUSTRY

Mr. DUFFEY. Mr. Speaker, I ask unanimous consent to insert in the RECORD remarks by myself on the doings of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DUFFEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by myself on the "Doings of Congress" at the forty-first annual meeting of the National American Wholesale Lumber Association, held at the Mayflower Hotel, Washington, D.C., April 26 and 27, 1933.

History is the record of the doings of mankind. History is being made in the doings of the Seventy-third Congress of the United States, which assembled in the extra session in Washington on March 9, 1933. The laws passed and to be passed will be studied by historians and political economists in the future, for the Nation is now beset with serious new economic and political situations. Perhaps we can only look ahead a little way on the "new deal"; but, as we look back, it is instantly apparent that return to prosperity by the old method is impossible.

Our Nation is at peace with the world today. But we are troubled with conditions in many respects comparable to those of war. The President of the United States is, by the Constitution, the Commander in Chief of the Army and the Navy, and today he is the Commander in Chief of the forces united in the common cause of a return to economic prosperity and leadership.

CONGRESS IN SESSION ONLY 48 DAYS

I will not deny myself this opportunity and privilege to express my respect and loyalty, as a Member of the Congress, to the Commander in Chief. Only 48 days have passed since Congress convened. The American people, without regard to Republican or Democratic partisanship, have new hope today, new confidence, new determination. Citizens have a real interest in public affairs,

a better understanding of economic and political problems, and a closer interest in the doings of their Chief Executive and the Congress. Events have happened so fast and furiously that one marvels at the fundamental changes brought about in so short a space of time.

NATIONAL EMERGENCY IN BANKING

Hardly had his first message been read in Congress than a new law was passed to provide immediate relief in the existing national emergency in banking. It was a call to arms by the Commander in Chief against the forces of an economic war, taking heavy toll on the resources and assets of our gold supply, and causing widespread consternation. Banking operations had ceased, and the opening of the banks for resumption of business was mandatory. All sound banks are now reopened, and each day more and further institutions are resuming their normal functions.

MAINTENANCE OF NATION'S CREDIT

No nation can survive when withdrawals and expenditures exceed receipts; and the billions of dollars in national deficit were mounting to a point where drastic, war-time action and authority must be exercised to save the Nation. These great deficits had had a disastrous effect upon the credit of our Government; we were nigh the brink of bankruptcy, and passage of a drastic new law for the maintenance of our Nation's credit was most vital and essential. By the Economy Act almost half a billion dollars was cut from governmental expenditures, and confidence was restored in the ability of our Government to meet its obligations and refundings. Loyalty to the leadership of the Chief Executive demanded a measure of courage on the part of the Members of the Congress at the very outset of the session; for back home among the voters were those who were dependent on Government pensions, the needy and worthy veterans, who themselves had once answered the call to arms in their Nation's defense, the widows, the children, and dependent mothers, the Spanish-American War veterans, none at that time cognizant of the emergency situation and believing that all would be adversely affected, when in fact reasonable rules and regulations were to be promulgated by the President; and every officer and employee of the Government was faced with a 15-percent reduction in compensation and salary. This country was in a state of war—not against a foreign enemy, but against economic evils that demanded sacrifice on the part of every citizen, that required drastic, immediate action in order that the institutions of our Government would endure.

THE BEER BILL

When expenditures were reduced by this Economy Act, the President and the Congress did not hesitate to provide new revenues. Congress was faced with the task of finding new sources of taxation or increasing existing levies. The beer bill became law and is a substantial factor in making up necessary revenue, to say nothing of the fulfillment of a campaign promise to our people to provide a palatable, nonintoxicating beverage. Nationwide approval and an impetus to business and employment followed, and definite steps were again taken toward the balancing of the National Budget.

STATE BANKS AND DEPOSITORS

At this time what was happening in the field of banking in the several States of the Union? A chaotic condition existed; closed banks on every hand, wide-spread discouragement of thousands of depositors, life earnings slipping away, frozen assets requiring years to realize cash; and the only relief in sight resting with the Congress. An emergency law was passed to provide direct loans by Federal Reserve banks, to State banks, and trust companies, even to individuals, partnerships, and private corporations, in connection with the use of the credit of the Federal Reserve System. Authority was created for the issuance of Federal Reserve bank notes (as distinguished from existing Federal Reserve notes) on eligible security without the necessary gold requirement exacted under previous laws and regulations. Hundreds of State banks (at that time and in many instances not yet members of the Federal Reserve System) were given direct Federal aid, and thus was restored in some measure a banking system to serve the legitimate interests of the American people involved in such a tragic situation.

FARM LEGISLATION

Emergency farm legislation is a matter of grave concern, to provide emergency relief with respect to agricultural indebtedness, to refinance farm mortgages at lower rates of interest, to provide orderly liquidation of the joint-stock farm banks. The plight of the farmer is a major economic problem confronting the American people today. Reasonable minds may differ in the method, or plan, of farm relief; but there is dire necessity for immediate relief for deflated farm values, and violent decline in prices. Adequate farm legislation will become law, furnishing definite help and concrete results to the farming industry. New farm-loan bonds will be authorized and the proceeds used to enable the farmer to refinance on better terms, to provide him with working capital, and to redeem or repurchase his farm home where foreclosed within the past year.

UNEMPLOYMENT AND REFORESTATION

Millions of our citizens are unemployed, without visible means of support. Laws passed, and plans for the employment of hundreds of these men are well under way, in the national forests of the far western States, the national parks, and State and private forest lands, under an act of Congress passed for relief of the unemployed through the performance of useful public

works. This great conservation work provides for food, shelter, clothing, medical services, and opportunity for a summer of outdoor life, while a part of the wages to be paid will, by prearrangement, go back home to help parents, and wives and children, who today are dependent on public charity for sustenance.

FEDERAL AID FOR LOCAL RELIEF

Unemployment relief has, also, been extended by cooperation of the Federal Government with the several States and Territories in relieving the hardship, suffering, and destitution of the present-day emergency. Over a period of 3 years, these relief expenditures throughout the Nation increased over 800 percent; and these vast expenditures, now caring for over 4,000,000 families, have caused the municipalities and States to struggle for revenue out of rapidly decreasing tax receipts. Past relief measures became inadequate; and now Federal, with local State resources, are joined together in the common cause to provide the elementary demands of citizens for food, clothing, and shelter. This great humanitarian legislation grants relief to needy citizens, removes anxiety and concern for their welfare and stays their distress.

5 DAYS PER WEEK, 6 HOURS PER DAY

The Senate has passed, and the House now has under consideration, a bill to establish the hours of labor at 6 hours per day, 5 days per week, to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities, and to regulate interstate transportation. There is much to be considered in this legislation and its direct effect on interstate industry. Public hearings now being conducted would indicate that amendments will be made, striking out the exact number of hours or days, and placing the power and authority in the Secretary of Labor to regulate with responsible flexibility. Perhaps an "hours of work board" of 3 will be authorized, 1 appointed by the Department of Labor, 1 from among the employees, and 1 from among the employers. At this time I can only refer to this legislation. In some form it will come forth, to be widely discussed and again reconsidered by the Senate, if passed by the House as amended; and, of necessity, if repassed, submitted to the President for final approval or disapproval. This form of social and industrial legislation requires most serious study to fairly decide what is best in the interest of the persons concerned.

MUNICIPAL BONDS IN DEFAULT

The obligations and bonds of our cities and political subdivisions of the various States have, in many instances, depleted so much in value as now to cause real concern to people dependent on dividends and income from insurance companies, annuities, or other forms of income from sources heretofore believed to be immune from default or loss. Bankruptcy in some instances threatens the existence of many communities, and, though it is apparent that relief by moratorium or scaling down is an urgent need, perhaps through the exercise of constitutional powers in bankruptcy legislation, yet no definite or workable plan has been evolved. Pending legislation is perhaps intended to grant some relief to municipalities now in a tangled financial condition; but to destroy our last vestige of confidence in public bonds, to impair the financial position of other American cities, as well as any encroachment by the Federal Government upon the sovereignty of the States and political subdivisions, would cause immediate confusion and complications.

BLUE SKY LAW

This distress in public securities is even more reflected in private stocks and bonds. Here Congress can and will step in for the people's interest by the enactment of a blue sky law. Federal supervision of traffic in investment securities in interstate commerce will protect the people from a continuance of the severe losses through practices heretofore indulged in, neither ethical nor honest. Not any guaranty, not an approval of new issues, but truthful information, so that every important element attending any new issue hereafter, domestic or foreign, will be known to the public.

ON OR OFF THE GOLD STANDARD

We are not all political economists, but we have attained that degree of intelligence to have an adequate understanding of the meaning of "gold standard", and whether we are "on" or "off." We are "on" when the unit of currency is expressed in terms of gold and currency is redeemable in gold on demand, and imports and exports are unrestricted. We are "off" when these conditions and terms are not met. The departure from the gold standard may be involuntary, as in the case of England, or voluntary, as was substantially the case in our country. England was forced off because her gold reserves had practically vanished by a run due to an unbalanced budget and assets frozen in other countries. Action in the United States was not wholly voluntary but was due to a different set of causes and really is voluntary, because our Government had plenty of gold and we could have withstood any run or demand. But serious adverse financial conditions existed from within and from without our border and they had to be met.

EXPANSION, NOT INFLATION

The term "inflation", so commonly used, is really a misnomer. We mean by that term an "expansion" of the currency, and currency expansion is positively essential to the entire reconstruction program. Ours will be a controlled expansion, with vested power and authority in the Chief Executive, instead of the old control of national and international bankers. The tendency will be, of course, to increase and stabilize prices at a proper level, force

more favorable agreements for stabilization in foreign exchanges, cut the cost of the war-debt payments, with some basis in sight for settlement of this embarrassing question, and grant a measure of protection against foreign raids under their depreciated currencies. Whether you are proponents or opponents to the continuance of the gold standard, it is undeniable that approval is voiced on every side of the recent happening in the matter of currency expansion.

HOME OWNERS' MORTGAGES

Perhaps the most important legislation insofar as home owners are concerned—and you are vitally interested in the welfare of the home owner—is the legislation to provide emergency relief and refinancing with respect to home-mortgage indebtedness, to extend aid to the owners of homes occupied by them and who are unable to amortize their debt elsewhere. This legislation does not provide money for new construction, nor for any new financing. It is applicable only to home mortgages executed and recorded prior to the effective date of the act. It will aid the home owner in preserving his equity; it will encourage him and others to make needed repairs. There will be a newly created corporation, called "Home Owners' Loan Corporation", to be the instrumentality of the Government, under direction of the existing Federal Home Loan Bank Board, and conducted and operated by bylaws, rules, and regulations, as may be prescribed from time to time. Government bonds will be issued in an amount not to exceed \$2,000,000,000, maturing in a period not to exceed 18 years, interest at 4 percent, unconditionally guaranteed as to interest only, and exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) imposed by the United States.

The corporation will negotiate with home mortgagors and mortgagees for the exchange of bonds for home mortgages executed and recorded prior to the effective date of the act; and some cash can be advanced to pay delinquent taxes and assessments, or provide necessary maintenance or repairs to make the home habitable. The face value of the bonds, in different denominations, so exchanged, plus accrued interest and advances, shall not exceed in any case 80 percent of the value of the property upon an appraisal not exceeding \$15,000, made by the corporation; and when junior encumbrances are recorded or filed against the premises, they, too, may participate, providing the gross indebtedness evidenced by the new mortgages does not exceed the 80 percent of appraisal at a gross face amount of not exceeding \$10,000. Any difference in the unpaid obligation of the mortgage shall be amortized by monthly payments sufficient to retire the interest and principal within a 15-year maturity period, or sooner when possible, and the interest charge on the new mortgage on any unpaid balance to be at the rate of 5 percent. The spread of 1 percent between the face of the Government bonds and the amount set forth in the mortgage is very small, because, from experience, it is not enough to cover the necessary administrative expenses and the losses usually attending this form of mortgage security. We expect to lose some part of this money; and who cares, when the home owners of our country are aided in saving their homes?

BUILDING-AND-LOAN ASSOCIATIONS AIDED

We will find a new condition in the field of building-and-loan associations, as we are experiencing in the field of banking. Our building-and-loan associations throughout the land, always the friend of the home owners and the building industry, will benefit greatly if they, too, will bestir themselves to the advantages provided in this new legislation. In order to provide local mutual thrift institutions where savings may be placed with a new confidence and feeling of security, the Federal board is authorized to provide for new associations, to be known as "Federal savings-and-loan associations." These new associations are not intended to, and will not, enter a community which is now sufficiently served. Such newly created associations automatically become members of the Federal home-loan bank, which is authorized to subscribe for preferred stock to assist in organization. Existing building-and-loan associations, where the State statutes permit, may be converted into Federal savings-and-loan associations by compliance with the act in subscribing to the Federal Home Loan Board. To build up and to aid mortgagors and building-and-loan associations is the end and purpose of this welcome and worthy legislation, and at least 8,000,000 homes in the United States can thus be refinanced and saved from the penalties of foreclosure and loss, especially the small, struggling home owner. Some amendments will be made, but substantially the new act will receive approval.

OTHER LEGISLATION

Much could be said about legislation yet to be considered—for the Congress will remain to finish its work before adjournment—as, for instance, the railroad problem, Muscle Shoals, 3-cent postage, appropriations, and so on; but I would give some thought to the effect of this legislation on the lumber industry, or, for that matter, almost every industry.

EFFECT ON BUSINESS AND INDUSTRY

Already we feel better; improvement is noticeable on every side. The "new deal" has taken hold. Some business is stimulated; a spirit of confidence is restored, many fears have been dispelled, and a new optimism has been inspired. Mr. Hoover once said, "Prosperity is just around the corner." But, alas! It was not so! Mr. Roosevelt and the Congress have done more in a short 48 days than Mr. Hoover and the Congress have done in the past 4 years! But I would not be true to the situation, if a note of warning was not sounded. In the very nature of things economic,

and, because we all are human, unfavorable reaction is sure to occur; there will still be a measure of discontent. Experience will give more light, if we be but patient; confidence on the part of the American people will produce results; cooperation in upholding the authority and acts of the President and the Congress will carry us forward; resistance to adverse reactions and unwarranted criticism should be waged against those who would rather tear down, or retard, than help. I reiterate that it is of the utmost importance for social and industrial progress that business men endeavor to give all proposals for social and industrial legislation an unprejudiced consideration.

"NEW DEAL" FOR LUMBER INDUSTRY

Start the wheels in industry, but first put your house in order. Never again will lumber be distributed and sold as was done 5 and 10 years ago. I am informed that lumber production last year was the lowest since the Civil War, less than 10,000,000,000 feet. Consumption was only one third of that of the year of 1929. Depletion of working capital and credit has been severe in your industry, as much hit as any industry. So you have much to recover; but abandon the old practices, giving all or splitting commissions or discounts to your trade; dual representation forcing lumber to compete with itself; entering new markets without adequate knowledge of local conditions; financing weak buyers; secret price concessions; pool car sales to more than 2 or 3 customers. These, and like abuses, should go from your midst; and, in their place, should arise a new determination from well-planned effort to increase the Nation's consumption of lumber, and strike a proper balance between production and consumption.

ORGANIZE AS NEVER BEFORE

Three suggestions I offer, each dependent, one on the other: Self-regulation within the industry; controlled production balanced with the distribution and sale of lumber; and emergency legislation to legally grant and permit your basic, necessary industry to organize and function.

It is patent that the three natural and economic fields in the lumber industry are: (1) The manufacturer, (2) the wholesaler, and (3) the retailer. In years past the lumber industry was over-organized and activities overlapped at great loss of energy, influence, and money. Disregard for the ethical and economic rights of others within the industry itself has brought you to this position of lacking the unity and strength of purpose that should come from intelligent organization. Your industry must start over with a "new deal", and you must "do it now." If you profit in wisdom from the experience and vicissitudes of the past, then look to the present and to the future. Begin this time at the top and work down; begin at the mills and work through to the ultimate consumer. Consolidate into one great tied-in industry for your own good and in the public interest. Lumber is an economic necessity for shelter, as food and clothing are necessary for sustenance.

A strong national lumber manufacturers' association, a strong national American wholesale lumber association, a strong national retail lumber dealers' association, gathering together under these units, the influence and cooperation of every State and regional association of every kind and species; separate, but united; distinct, but coordinated; contrary interests made to be reconciled; and through strength within, the industry can combat and fight against substitutes and loss of markets, and be united against the common enemy during an economic distress.

CONSERVATORS (?)

I am in favor of protection of States' rights against the encroachments of a centralized government; and I resist the entry of State or Nation in private business. I would be the last to advocate that the lumber industry should be under Government control. But, to repeat, "It is apparent that return to prosperity by the old method is impossible." Nowadays, we hear the word "conservator", a guardian, a protector. Now it is pronounced "conservator", a new word, but known in early English law. It has been recently applied to one appointed to take over the affairs of a bank; and we seem not to understand just what the word means, but, in its application in a practical way, it represents a plan which serves to salvage assets and permits reorganization with less loss to depositors and stockholders alike. Do you need "conservators" in your industry? A "conservator" in any given industry or unit branch should have some Government authority and supervision, with safeguards and reservations retained and controlled by the industry.

SUPPLEMENT THE SHERMAN ANTITRUST LAW

I refer to the effect of the Sherman antitrust law and the antitrust laws of the various States upon competition today. Lumber products are being sold at a loss. If the seller is able to obtain a price for his merchandise which will take care of his production cost and handling expenses, and pay a portion of his overhead, he will make a sale in the belief that it is better to sell and acquire a gross profit to apply on this overhead expense, rather than not to make the sale, and then have nothing to so apply. This net loss is one of the contributing causes to delay in recovery of business. Prosperity and profit are synonymous terms. The larger industries should be in a position to make reasonable profit or at least break even. The average business man, due to his fear of antitrust laws, will not enter into an agreement with his competitor which would enable him to sell his product at a reasonable price. Competent legal advice and counsel is of little

avail on this subject, because the lawyer can only relate what the law prohibits, and not what it permits. No particular case can be taken as a criterion or precedent, for the facts are invariably not the same. The conditions in one industry are not applicable to another. The law should protect the business man who in good faith wants to obey the law, avoid any injury to the public interest. Some judicial or semijudicial authority should exist to permit him to know in advance, not when it is too late, what he can do without fear of violation.

APPALACHIAN COAL CO. CASE

There has been considerable discussion in the press and trade journals about the recent decision by the Supreme Court of the United States, in what is known as the "Appalachian Coal Co. case" (No. 504, October term, 1932; decided Mar. 13, 1933). In this case, the challenged combination arose because of the creation by agreement of coal producers of an exclusive selling agency; and was held valid. Much has been made of the decision that the formation of this sales agency automatically eliminated competition among members of the agency. It may be another forward step by the courts to liberalize the provisions of a rather harsh statute; but the general discussion of the case, however, has overlooked the fact that the court held that the evidence "makes it impossible to conclude that defendants through the operation of their plan will be able to fix the price of coal in the consuming markets."

And, further, the Court held:

"The proof clearly shows that wherever their selling agency operates it will find itself confronted by effective competition backed by virtually inexhaustible sources of supply and will also be compelled to cope with the organized buying power of large consumers. The plan cannot be said either to contemplate or to involve the fixing of market prices."

The Supreme Court retained jurisdiction of the case, and at the end said:

"With the provision that the court shall retain jurisdiction of the cause and may set aside the decree and take further proceedings if future developments justify that course in the appropriate enforcement of the Antitrust Act."

The present antitrust statutes grew out of the peculiar economic conditions of the Nineties. It was a distinguished Senator from Ohio, Senator Sherman, in 1890, who sponsored the legislation. Conditions have changed, after 43 years; and, as the conditions have changed, the antitrust laws have been modified to meet them, in some cases by legislation, and in other cases by liberalization of their provisions by the courts. Labor and agriculture are exempt. Why not industry? The case reflects the present effect of existing economic conditions upon the Courts' attitude toward a law enacted to cope with altogether different economic problems.

OHIO TOBACCO CASE

In Ohio, a tobacco association organized and made agreements with its members that the membership should sell and deliver to the association all tobacco grown for a period of 5 years. The validity of such agreement came before the supreme court of my own State of Ohio (*List v. Burley Tobacco Co., Growers Cooperative Association*, 114 Ohio State, 361); and the court held it to be valid. It said, "This controversy involves a legal problem, but the legal problem cannot be entirely divorced from the economic problem." The real question was one of public policy. The court referred to the situation in the agricultural industry, recognizing the fact that the persons engaged in such industry were widely scattered, many of them were small producers of limited means, and somewhat at the mercy of the purchaser, and without voice whatever in making prices or terms. Hence, such conditions justified their exemption from the State antitrust laws.

UNITED STATES SENATE INVESTIGATION

Many persons believe—and no doubt it is true in too many instances—that monopolies invade our domestic and industrial life. There are monopolies of buyers, however, as well as sellers. Unreasonable prices and monopolistic restraint are against the public interest. I do not advocate either the repeal or the amendment of the present Sherman antitrust law; but I submit that the Sherman law should be supplemented by the enactment of a new section designed to meet the situation in industry. I am not unmindful of the fact that Chief Justice White years ago, in a Standard Oil case, wrote the word "reasonable" into the statute, and this decision has not been reversed.

There is now pending before the Senate Committee on the Judiciary a resolution (73d Cong., 1st sess.; S.Res. 36, by Mr. KING, of Utah) which, if passed, authorizes an investigation for the purpose of determining what, if any, legislation is required to strengthen and extend the provisions of the antitrust laws. The Congress represents the people. Why hold back from making your problem known and openly and publicly asking and advocating what you, in good faith, believe necessary for the salvation of your industry? Prepare to present a definite plan to the Senate Judiciary Committee, or arrange a conference with the author of the resolution, Mr. KING, or a conference with the chairman of the committee, Mr. ASHURST, of Arizona. Labor and agriculture do not hesitate to ask. Why should industry? Approach your Government; do not await its coming to you. If industry asks, it may receive. Advocate the right to organize, in order to establish ways and means for fair and reasonable competition and at a reasonable

profit, and not against public policy, and as may be determined upon findings under rules and regulations by some Federal agency to be created or by the Federal Trade Commission or Department of Commerce.

But I must conclude, my friends. It was Joyce Kilmer, in his "Memoirs and Poems", who wrote:

"TREES

"I think that I shall never see
A poem lovely as a tree.
A tree whose hungry mouth is prest
Against the earth's sweet flowing breast."

And at the end he recites:

"Poems are made by fools like me,
But only God can make a tree."

I, too, would be a poet; my looks may not show it:

"Suggestions, too, are made by me;
But only you can make them see."

There is sentiment and beauty in the harmonious tones of the American walnut; in the dainty, cheerful highlights of bird's-eye maple; in the practical uses of the hard and soft maples; in the stately fir and redwood; in the rugged hickory; and in the many uses of the mighty pines.

You represent a wonderful industry, an economically necessary industry, and you and I have a great Commander in Chief in our President of the United States, Franklin Delano Roosevelt.

NEEDS OF EDUCATION—ADVANCEMENT

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of finance and education.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, the advancement that has been made in education in recent years has been a source of pride and satisfaction to the people of this Nation. Within the last decade we have noted the improvement in educational standards and the higher qualifications of the men and women who have been attracted to the field of education by the higher standards of remuneration and advancement offered in the teaching vocation.

When this Government was established and the Constitution adopted it was the express purpose "to secure the blessings of liberty to ourselves and our posterity."

To carry out the ideals on which this Nation was founded the importance of promoting education was early recognized. The great centers of learning—Yale and Harvard—had already been established. With the need of education always in mind, our school system rapidly followed the pioneers that settled in the great West.

The South, the seat of slavery, was slow to adopt the public-school system but relied for education on the employment of private tutors and governesses patterned after the English system of the last century.

One of the most outstanding examples of the accomplishments of our educational system is the progress and development of the natives of the Philippine Islands. Many of us remember when outward-bound ships were taking scores of American teachers to our island possessions to establish there such American school systems, with the result that such strides have been made in the educational advancement of these backward people that the setting up of a new nation among the powers of the earth is being seriously considered by granting independence to the Philippines. Would that Russia could have had the benefit of a decade of our educational system. What misery and bloodshed could have been averted had the training of the Russian youth been intrusted to our sweet-faced school teachers.

The great strides of material and cultural advancement in this country can be traced and credited to the continual progress made in the upbuilding of our educational system. Native intelligence and ingenuity assisted by liberal education has enabled America to outstrip all other countries in raising the living standards of its population. Science applied to government in a brief century has made this Nation preeminent among world powers.

While great progress has been made in most branches of human endeavor, we find we have lagged in applying the science of finance to the needs of our people. Many dis-

interested leaders in political economy are agreed that our monetary system is obsolete, that it is failing to meet the demand that rapidly expanding business has placed upon it.

It is the expressed opinion of many of our political economists that our monetary system must be revised, broadened, and recast that business and the producing interest of this country may be restored to a measure of prosperity that will insure the support of our schools in the present state of efficiency. We must turn our attention to remedying the cause of this recession in material prosperity rather than to lowering our living standards and undermining our educational system by reducing the compensation paid the teaching body, thereby depriving our schools and the teaching personnel of the benefits of the advancement so slowly attained through the last two decades.

Real progress in this country is based on the advancement of our educational standards and not on a downward readjustment of business to meet the exigencies of a shrinking monetary system.

We must replenish the shrinking volume of our circulating money medium by freeing business of the shackles of an obsolete monetary system. Of everything else we have an abundance to maintain the high standard of prosperity attained in the past decade.

To continue on the path of progress our educational system must improve, not retrogress.

LABOR'S SHARE IN EXPENDITURES FOR WATERWAY IMPROVEMENTS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a brief table prepared by engineers of the War Department showing the proportion of river and harbor work that goes to labor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, in view of the fact that a public-works program is now under consideration for the relief of the unemployed, it will be of general interest to the people of the United States to know the proportion of river-and-harbor and flood-control expenditures that actually goes for labor.

The Corps of Engineers of the War Department have completed a very careful study of the matter, and the result of their investigation shows that of expenditures for lock and dam construction 76.9 percent is for labor, for concrete bank-revetment construction 80.2 percent is for labor, for levee construction 78.5 percent is for labor, and in dredging operations 76.8 percent of expenditures is for labor.

Probably no other type of necessary public-works expenditures will show a greater proportion for labor than that embraced in river-and-harbor and flood-control works. The following letter and memorandum from Colonel Kingman, of the Corps of Engineers, are self-explanatory:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, April 28, 1933.

Memorandum for Judge MANSFIELD.

DEAR JUDGE MANSFIELD: At General Brown's direction, I am sending you several copies of a memorandum showing the amount of labor employed on river-and-harbor and flood-control works.

Sincerely,

JOHN J. KINGMAN,
Lieutenant Colonel, Corps of Engineers.

APRIL 27, 1933.

Subject: Amount of labor employed on river-and-harbor and flood-control works.

Memorandum for General Brown.

1. The following analysis, showing proportion of money spent for direct and indirect labor on work done by the Corps of Engineers, United States Army, with Government plant and hired labor, has been compiled from the records and cost accounts of the Engineer Department.

2. The indirect labor charges are based on the proportionate labor costs of commodities delivered from figures secured from a representative of the Tariff Commission.

	Lock and dam construction percentage	Concrete bank-revetment construction percentage	Levee construction percentage	Dredging operations percentage
Direct labor:				
Labor used in construction, including plant operation	30.0	34.0	34.0	25.7
Labor used in repairing plant	4.0	8.0	10.0	16.2
Surveys, superintendence and overhead	7.2	5.4	9.0	9.1
Miscellaneous service			3.5	
Total	41.2	47.4	56.5	51.0
Indirect labor:				
Materials and supplies used in construction	32.9	30.0	14.0	18.1
Materials and supplies used in repairing	2.8	2.8	5.6	7.7
Miscellaneous supplies			2.4	
Total	35.7	32.8	22.0	25.8
Total direct and indirect labor	76.9	80.2	78.5	76.8
Other costs:				
Basic materials	16.1	14.8	10.5	15.0
Depreciation	7.0	5.0	11.0	8.2
Total	23.1	19.8	21.5	23.2
Total cost	100.0	100.0	100.0	100.0

¹ It is interesting to note that the total percentage for direct and indirect labor varies only slightly regardless of the type of work.

NOTE.—When work is done by contract the contractor's profit, such as it may be, must also be met. Under the provisions of the law, a contract may not be awarded if the bid exceeds by 25 percent the estimated cost of doing the work by Government plant and hired labor. This provision serves to prevent the payment of excessive profits to the contractor. In point of fact, under present conditions, bids received are frequently less than the estimated cost of doing the work by Government plant and hired labor.

JOHN J. KINGMAN,
Lieutenant Colonel, Corps of Engineers.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. SHALLENBERGER. Mr. Speaker and ladies and gentlemen of the House, before 1929 our Nation sold more than \$5,000,000,000 worth of goods to the rest of the world. For 1933 the volume of our foreign trade has fallen to less than \$2,000,000,000. We have therefore lost more than \$3,000,000,000 of our foreign business, and the shrinkage in domestic commerce is even greater.

Our great President is moving with characteristic dispatch to reclaim the foreign markets we have lost. He has called a world-wide economic conference in an effort to recover our world-wide trade. It should be the policy of the Congress to promote wherever possible the development of new industries that will build up our home markets, relieve unemployment, and expand the buying power of the people generally.

With this great problem in mind, Mr. Speaker, I have today introduced a bill for the purpose of promoting the use of blended gasoline and alcohol for internal-combustion-engine fuel.

The bill has the endorsement of and is sponsored by a committee of citizens representing general farm interests throughout the Nation and is actively supported by the leading agricultural organizations and by a wide range of business interests concerned with the problem of increasing the farmer's purchasing power. The members of the Motor Fuel Alcohol Committee are Clifford V. Gregory, editor *Prairie Farmer*, Chicago, chairman; M. S. Winder, secretary American Farm Bureau Federation; E. A. Eckert, chairman executive committee, National Grange; Charles E. Hearst, president Iowa Farm Bureau Federation; Earl C. Smith, president Illinois Agricultural Association; William H. Settle, president Indiana Farm Bureau Federation; LeRoy Melton, president Farmers' Equity Union of America;

and C. E. Huff, president Farmers' National Grain Corporation.

Of all the new uses for farm crops that have been suggested, the manufacture of industrial alcohol from corn and other farm products and its use blended with gasoline for motor fuel seems to promise most in the way of widespread and permanent benefits to the entire agricultural industry. The enormous consumption of motor fuel in America is well known.

If alcohol from farm crops was to supply a part of the Nation's consumption of motor fuel, a new use would be established for hundreds of millions of dollars' worth of surplus farm crops adapted to the production of alcohol for fuel. A 5-percent alcohol blend for all motor fuels consumed would require from 300,000,000 to 350,000,000 bushels of corn annually; a 10-percent blend would require from 600,000,000 to 700,000,000 bushels, if the alcohol is produced from corn alone. The revenue derived from the operation of the law would be a very considerable item toward reducing the Budget deficit, and the tax collected would be covered directly into the Federal Treasury.

In approaching the problem, the interested organizations have sought to develop a plan which will be easy and simple to administer and which will not impose undue burdens upon the petroleum industry and users of motor cars but will actually be to their advantage. The oil and automotive industries would profit from increased farm purchasing power. The enlargement of existing industrial-alcohol distilleries, the construction of new plants, would contribute immediately to increased employment of labor, greater railroad revenues, enlarged coal-mine operations, and other collateral lines.

THE PLAN PROPOSED

It is proposed to amend the Revenue Act of 1932 so as to apply an additional Federal tax of 1 cent per gallon for gasoline, not blended with alcohol, produced from domestic farm crops for the period ending December 31, 1933. For the period ending December 31, 1934, to tax gasoline not so blended 2 cents per gallon; and thereafter to tax unblended gasoline 3 cents per gallon. The tax differential in favor of the blended fuel is 1 cent per gallon for the first 18 months and 2 cents per gallon after December 31, 1934.

It is not contemplated that oil companies would actually blend all of their gasoline with alcohol at the low percentages specified. The proposed amendment provides that the oil producer who during any tax period acquires and blends alcohol to the amount of 1 percent of his gasoline sales shall be entitled to the lowest rate of tax, regardless of the fact that he may have blended 10 or 15 percent of his alcohol with certain grades of gasoline while the remaining fuel may be sold unblended.

To illustrate in another way: An oil company which purchased and blended 1,000 gallons of alcohol would be presumed to have produced 100,000 gallons of blended gasoline during the period for which the specified percentage is 1 percent.

There is an active demand for alcohol-blended fuel at present. It is believed that the merits of the new fuel will soon result in an enlarged market and that users will pay a premium for it, so that regions remote from sources of alcohol would not have their gasoline taxed beyond the present rate.

The alcohol-blended fuel will be popular with motorists, and its use will spread, so that the percentage of alcohol can be increased without difficulty to 5 percent after the first 18 months.

TECHNICAL QUESTIONS AND PRACTICAL USE

Conclusions as to the performance of the blended fuel, and technical points that have been raised, are based on experience in foreign countries and in the United States, where large-scale tests with hundreds of automobiles of all makes have recently been made by the Illinois Agricultural Association, the Keystone Steel & Wire Co., Iowa State College, and others.

Absolute alcohol mixes with gasoline in all proportions, making a blend that is noncorrosive, and is permanent under all conditions of use. There are no technical difficulties either in manufacture or use of anhydrous alcohol for fuel that cannot be readily overcome.

The addition of 10 to 20 percent of alcohol with gasoline noticeably improves the performance of the motor using the fuel. Characteristics from which better performance results are as follows:

Alcohol is an excellent antiknock agent, engines start easier with alcohol-blended fuel, the engine operates more smoothly, acceleration is greater, less carbon is formed, no gum accumulation occurs, and engines operating on alcohol blends show lower cylinder head temperatures and give measurably higher power than straight gasoline.

Before endorsing the legislation proposed the proponents of the bill recognized that it was necessary to know just what the blended fuel would do in the matter of increased mileage in automobiles of all makes and ages under actual road conditions. Tests by industrial companies in which hundreds of automobiles had been used throughout the past 2 years showed increased mileage as well as better general performance, but more definite information was wanted, therefore comprehensive tests were started in Illinois, Iowa, and Nebraska.

The Illinois Agricultural Association is a large distributor of gasoline in Illinois. Under special arrangement with Dr. Doran, of the Industrial Alcohol Commission, this association secured a supply of alcohol which was sold as a blended fuel with gasoline to the general public within a 50-mile radius of the city of Peoria, Ill. Up to April 19 approximately 500,000 gallons of 10-percent alcohol-blended fuel had been distributed. Report blanks went to each purchaser.

An analysis of reports from 712 customers returned by April 19 last, comparing the 10-percent blend with regular gasoline, brings out the following points:

Out of a total of 712 customers, 579 reported easier starting, 675 reported increased acceleration, 670 reported smoother operation, 673 less knock, 678 increased power, and 683 reported general performance of the motor better. Seven hundred and nine reports indicate that the trade will pay a premium of 2 to 3 cents per gallon for 10-percent alcohol blend.

Similar reports were secured from 29 users who heretofore had used ethyl gasoline, and who compared the performance of the 10-percent alcohol blend with that premium fuel. Twenty-five reported better motor performance on the alcohol blend, and 17 reported an average mileage increase of 3.09 miles per gallon.

One individual report which is of especial interest is that of Adolph Woolner, Jr., 439 Moss Avenue, Peoria, Ill. Between March 11 and March 23 he made comparative tests of the alcohol blend, regular and ethyl gasoline in the same car, over the identical road trip, and the results are summarized in the following report:

Ten-percent alcohol gas: Used 40 gallons 10-percent alcohol gas in 500 miles; average, 12.5 miles per gallon. Price at Peoria, 18.6 cents per gallon; cost per mile, 1.48 cents.

Regular gas: Used 40 gallons regular gas in 380 miles; average, 9.5 miles per gallon. Price at Peoria, 14.6 cents per gallon; cost per mile, 1.53 cents.

Ethyl gas: Used 40 gallons ethyl gas in 448 miles; average, 11.2 miles per gallon. Price at Peoria, 18 cents per gallon; cost per mile, 1.60 cents.

All the above tests were made in a Packard car, 1929 model, no. 640, weighing 5,400 pounds. The runs were made over the same route, from 439 Moss Avenue, Peoria, to Bureau Junction by way of Mossville, Rome, Chillicothe, Sparland, Henry, and Putnam. Return trip, the same route until Sparland; then taking the "hill" road to Mount Hawley Road and back to starting point, making a total of 128 miles for round trip.

Tests are being continued, not only by the Illinois Agricultural Association but in numerous localities in Iowa and Nebraska, where results are being checked. Large indus-

trial corporations, among them the Keystone Steel & Wire Co., of Peoria, Ill., and the Earl Coryell Oil Co., of Lincoln, Nebr., have been distributing the blended fuel, with results that agree closely with those reported above.

The proposed amendment is only asked to assist in introducing the new fuel, and to overcome opposition by those who have not conducted large-scale tests of the fuel.

Foreign experience: Use of alcohol blended with gasoline is not new. Legislation encouraging or requiring the use of alcohol blends for motor fuel has been adopted by nine foreign countries—Austria, Brazil, Chile, Czechoslovakia, France, Germany, Hungary, Italy, and Latvia. National legislation is widely advocated, and now pending, in five countries—Argentina, Cuba, Lithuania, Poland, and Uruguay.

CONSIDERATIONS OF ECONOMIC AND NATIONAL POLICY

All thinking classes now recognize that this Nation cannot be prosperous if its farmers, and those dependent on them, are impoverished.

The farm-surplus problem in the United States is critical. Cutting acreage and production is difficult. Wherever new uses for farm products can be developed it is wise to do so as a matter of national policy.

Unquestionably agriculture will be better able to assist in the relief of unemployment if serious national effort is made to develop new industrial uses for raw materials grown on the farm. In the proposed use of alcohol we believe that any added cost would be compensated for by increased efficiency of the fuel.

Agricultural raw materials readily convertible into alcohol include corn and other cereals, rice, potatoes, root crops, fruits, and molasses from the domestic cane and beet-sugar industry.

It should be understood that the helpful influence of this project on agriculture would not be limited to corn, even if it were the only raw material used. It would affect favorably the price of every bushel of grain sold off the farm. The price of cotton and of other crops that compete with corn for acreage would be helped. With the pressure of the corn surplus lifted, southern farmers and dairy producers would benefit, as well as those in the Corn Belt. The general favorable effect on agriculture would pass to American banks, business, and industry.

It is estimated that from 2,000,000,000 to 2,500,000,000 bushels of corn annually are fed or marketed in the United States. A price increase of 10 cents a bushel on that basis would add from \$200,000,000 to \$250,000,000 to farm incomes, and a 20-cent price increase would add \$400,000,000 to \$500,000,000 to the income of the American farmer.

This does not take into account the effect on the income of producers of other farm crops, nor does it consider the large amount that would be paid out to American labor in alcohol factories, railroads, and coal mines.

The effect of decreased farm buying power on farm-machinery sales is shown by Department of Commerce reports for 1928, 1929, and 1931. The totals in the following table include farm implements and certain miscellaneous lines like barn equipment:

Total value manufactured	
1928	\$524,255,416
1929	606,621,812
1931	214,390,792

The Agricultural Year Book for 1933 says: "Sales in 1932 were materially below those of 1931."

The loss of farm buying power is shown in the motor-car trade as well. Sales of new motor cars in the country as a whole fell off 42.6 percent in 1932 as compared with 1931; in the nine Corn Belt States the reduction was 47 percent.

Anyone who travels in farm States can see the extent to which horses are replacing tractors in the fields, and how little farmers' cars are used compared with former years.

GENERAL BENEFITS TO THE NATION'S BUSINESS

The proposed bill creates a new industry in this country. The construction and operation of new industrial-alcohol distilleries would be of incalculable benefit to a number of

other industries including manufacturers of copper, steel, and other equipment, coal-mine operators, railroads, and their employees.

The supply from five new plants, each consuming 25,000 bushels of grain per day, would be required to bring the total production available for motor fuel up to 300,000,000 gallons a year, or 2 percent of the annual fuel consumption. If 5 percent of the motor fuel is alcohol, the supply from 28 new plants, each using 25,000 bushels of grain a day, and producing 20,600,000 gallons of alcohol a year, would be required.

Each new plant, it is estimated, would cost the manufacturer \$3,975,000. Labor employed in producing equipment and constructing one plant would amount to 2,720 men for a year. Each plant would consume 8,750,000 bushels of grain and 150,500 tons of coal a year. Operating labor would require 175 men per plant. Each such distillery would create new freight business estimated at \$1,656,000 a year.

The magnitude of the new business that would be created by a program that would call for the establishment of 28 such units can be gathered from the following summary.

Twenty-eight new units of 20,000,000 gallons' capacity each would require:

Investment in plant, \$111,300,000.

Men employed in building equipment and plant, 78,160.

Bushels of grain a year, 245,000,000.

Tons of coal a year, 4,200,000.

New freight service a year, \$46,382,000.

Factory employees a year, 4,860.

CONSIDERATION OF PETROLEUM RESERVES

The nation which leads in developing alcohol sources for motor fuel is merely anticipating a probable future need. Petroleum is a national capital resource. Minerologists agree that exhaustion of the richer and cheaper sources of gasoline may occur relatively soon as compared with other national resources. As that time approaches, gasoline is bound to rise in price.

It is the province and problem of government to think about the future. The Federal Oil Conservation Board, in its fifth report published in October 1932, said in part:

An analysis of the oil reserves of the United States, based upon the consensus of well-founded opinions, indicates that present known recoverable oil reserves in the United States are of the magnitude of 10 billion barrels.

Although in its fourth report this board discussed some of the factors causing revision of estimates of oil supply and pointed out that during the last decade every estimate had required revision upward in the light of increased production factors, nevertheless it is timely to realize the significance which should be attached to well-founded figures showing that at the current rates of production, the equivalent of our present known oil reserves will have been withdrawn from their underground reservoirs in 10 to 12 years.

A sound national policy for a safe and sufficient motor fuel for the future warrants the development of industrial alcohol as an added supply to the great petroleum deposits with which we are blessed. [Applause.]

FARM RELIEF

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, with Senate amendments, disagree to Senate amendments 1 to 84, inclusive, and that it shall be in order to consider in the House Senate amendment no. 85 to said bill, with all points of order against said amendment waived.

Mr. SOMERS of New York. Mr. Speaker, reserving the right to object, may I inquire of the leadership just how much discussion is to be permitted upon this important amendment, and whether or not we are going to be permitted to amend it, or are we expected to pass it through the hands of some conferees, who will bring their report upon the floor and pass it after an hour's discussion?

Mr. JONES. Under this unanimous-consent request the other amendments would be sent to conference and amend-

ment no. 85, which is the expansion amendment, would be up for consideration in the House subject to a motion, with such debate as the House may see fit to allow. A motion to concur will probably be made and the House will take action on that motion.

Mr. SOMERS of New York. Has the gentleman any idea along these lines now? Are we to have an adequate amount of debate?

Mr. JONES. So far as I am concerned, I should like to see an adequate amount of debate on the amendment, but if the House saw fit to vote the previous question, it could do so at any time or the House could have extended debate by unanimous consent. As I understand, someone may be recognized to move to concur in the Senate amendment, which would give 1 hour's debate unless the time is extended by unanimous consent. I would have no objection to the time being further extended if no one objected to the request. But after debate we should have final action.

Mr. SOMERS of New York. Has the gentleman discussed the matter with the minority leader to find out how he feels about it?

Mr. JONES. I understand the Speaker has had the matter up with him and has disclosed the plan with reference to the matter.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. JONES. I yield.

Mr. CLARKE of New York. Do I understand correctly that there is a serious error in this bill and that the bill that is here now is not the bill that was passed by the Senate?

Mr. JONES. No; this is the bill that passed the Senate.

Mr. CLARKE of New York. And there is no error in the bill whatsoever?

Mr. JONES. There is no error in the bill as it came over this morning.

Mr. CLARKE of New York. I heard there was an error in the bill and it would have to be reprinted.

Mr. JONES. There was an error in the first print of the bill, but it was corrected, and the bill came over this morning in corrected form.

Mr. SNELL. Mr. Speaker, reserving the right to object, this is probably the most important piece of legislation that will be before the House at this session or in many years to come. It covers more ground than any piece of legislation I have ever known anything about, and it is so important that I feel I should be compelled to object to the unanimous-consent request of the gentleman from Texas [Mr. Jones].

Mr. JONES. If the gentleman will withhold any objection a moment, would it be satisfactory to the gentleman if we got unanimous consent in advance to extend the time for debate? I agree that it is an important matter. It is also important that it be acted upon. I hope the gentleman will be reasonable.

Mr. SNELL. We feel that amendment no. 85, the currency proposition, is a matter that changes the fundamental law of this land in regard to our currency and is of such vital importance to all the people everywhere that it ought to have careful and considerate attention by this House, and as far as we are able we Republicans want to demand such consideration. I do not want to do anything to delay the passage of this bill, but we insist, as far as we are able, on having ample time to go into it and discuss the proposition and offer such amendments as we think proper. The Senate took a week on it. I would not think it would be necessary to have as much time as that, but we should like a day or two to get ready for the discussion and we should have at least a day of full debate on the inflation proposition alone. [Applause.]

Mr. RANKIN. Will the gentleman yield?

Mr. SNELL. Yes; if I have the floor.

Mr. RANKIN. To object now would only have the effect of postponing it for another day, and if the gentleman from Texas is willing to agree to a reasonable amount of time, why not proceed with the debate now?

Mr. SNELL. I think we ought to have a little time to go into the matter before we start the debate; the final draft of the bill has just come to my desk. I would be willing to

have the debate tomorrow, but I would not want to consent today.

Mr. JONES. Would the gentleman agree to the unanimous-consent request if it is agreed that it is to be considered tomorrow and avoid the necessity of going through the process of securing a rule?

Mr. SNELL. How much time is the gentleman willing to give us in debate, and is he willing to consider it under general rules of the House?

Mr. BYRNS. Of course, the gentleman understands that an objection now will mean it will be necessary to bring in a rule.

Mr. SNELL. I understand that.

Mr. BYRNS. I think the gentleman from New York and the gentleman from Texas can come nearer getting what they both want if they can agree upon time rather than go through the process of getting a rule which may or may not suit them.

Mr. SNELL. Does the gentleman want to read this under the 5-minute rule and consider it as other important legislation is considered? This is an entirely new and radical proposition that has never been considered by the House.

Mr. JONES. I will agree with the gentleman on 3 hours' discussion. It is hoped that the adoption of this amendment will bring about a better commodity-price level. Surely that is a desirable object.

Mr. SNELL. The gentleman cannot come to any further agreement with me that provides for just talk. Of course, the gentleman has the power to bring in a rule and force it down our throats. If you will give us an opportunity to amend it and to consider it in the usual way, we will make an agreement.

Mr. JONES. If the gentleman has made up his mind in advance that he is not going to agree to anything, there is no use discussing the matter. A rule becomes necessary in that event.

Mr. SNELL. We might just as well understand it now, that I will not make an agreement unless some of our rights are protected.

Mr. JONES. I was trying to get an amicable agreement with the gentleman.

Mr. SNELL. If the gentleman will let us consider the bill in the usual way—

Mr. BYRNS. We are proposing to consider it in the usual way, I will say to the gentleman. I know of no precedent which would impel the House to consider a Senate amendment paragraph by paragraph.

Mr. SNELL. In the gentleman's long experience in the House has he ever seen an amendment similar to this that changes the fundamentals of our currency system?

Mr. BYRNS. No; I never have.

Mr. SNELL. And then have a request made to pass it without any consideration?

Mr. BYRNS. But we are facing new conditions every day, and this is one Senate amendment. It does seem to me it ought to be possible to discuss this one Senate amendment as a whole. Of course, if Members want to pick out some particular paragraph to discuss they can do so, but I see no reason for extended discussion.

Mr. SNELL. There are 3 or 4 distinct propositions involved. There are some of them that some of us want to support, and, I explained, we can come to an agreement with you about it if you will let it be read in the House and considered as a new piece of important legislation ought to be considered.

Mr. JONES. Will the gentleman agree to have debate today and let it run over until tomorrow and have final action then?

Mr. STEAGALL. Mr. Speaker, let me make this suggestion to the gentleman from New York. Every Member on this side appreciates the position of the gentleman from New York and the fact that he has cooperated so far in the legislation. Let me suggest that the practical situation in which he finds himself will be met if ample time is given to fully discuss the amendments to this bill. I submit to the

gentleman that, in the situation in which he finds himself, that is all he can expect in the matter.

Mr. SNELL. It may be all that I can expect but not all that I claim we have a right to expect, even under unusual circumstances.

Mr. STEAGALL. I suggest that the gentleman agree to a debate of 1 day, and then if the gentleman desires to let it go over we can do so.

Mr. SNELL. I want to say with all frankness to the gentleman from Tennessee, the majority leaders, that we cannot agree by unanimous consent to just let this matter go through by simply talking about it. We want to have it considered under the rules of the House, with the right to offer amendments, and that is the only agreement I can make.

Mr. BYRNS. We are proposing now to agree to 3 hours' debate on these amendments. If we can take it up today, we can send it to conference and get the bill passed without any particular delay. The gentleman has referred to the delay that has occurred in another body. We all know that if this bill has any merit in it—and some of us think that it has—the quicker we can get it passed so as to bring relief to those we are trying to relieve the better. I can see no reason for having it go over for 2 or 3 days.

Mr. SNELL. Does the gentleman think it is unreasonable, on a measure that changes the whole financial system of the United States, to have 2 days' discussion of it?

Mr. BYRNS. I think if the gentleman has been reading the debates in the Senate we are pretty well advised as to what may be said on both sides.

Mr. SNELL. There is a certain responsibility resting upon all Members of the House, and I am going to assert my right as a responsible Member.

Mr. BYRNS. The gentleman has that privilege.

Mr. RANKIN. Let me say to the gentleman from New York [Mr. SNELL] that the very thing we are trying to avoid is interminable debate on these amendments. I can see no reason for going on and considering this amendment under the 5-minute rule. It was not done when the gentleman's party was in power.

Mr. SNELL. I object to that statement, for we never tried to do anything of this kind before, and every old Member knows it.

Mr. RANKIN. Oh, your party gagged the House efficiently on the tariff bill, and the country has been gagged by it ever since.

Mr. SNELL. I object to the gentleman's statement, because it has nothing to do with the present situation. I know what I am talking about.

Mr. RANKIN. Mr. Speaker, to expedite matters I demand the regular order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DIMOND, indefinitely, on account of illness.

To Mr. KVALE, on account of urgent business.

FARM RELIEF

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report upon the consideration of the Senate amendments to the farm relief bill.

The SPEAKER. Is there objection?

Mr. BEEDY. Mr. Speaker, I reserve the right to object. I hope seriously that the leaders on the Democratic side will not contemplate limiting this House to 3 hours' debate on an amendment which affects the currency problems of the Nation, which the other body has discussed for 2 weeks. I confess great disappointment at the mere proposal to have only 3 hours of debate.

Mr. BYRNS. Mr. Speaker, so far as I am personally concerned, I have no objection to even 4 hours or 5 hours, but I see no reason why this House should consume 2 or 3 days discussing the amendment, when it has been already so fully discussed. It seems to me that no good can be accomplished by an extended discussion covering 2 or 3 days. We must

remember that this bill was proposed primarily to relieve agriculture, and here we are on the 1st of May, with the planting season already started, and nothing done by this Congress. We ought to pass the bill as quickly as we can, if it is to bring any relief.

Mr. SNELL. We are not to blame because all these things were added to the original bill.

Mr. BYRNS. They were added by the Senate.

Mr. SNELL. But we on this side of the House are not to blame for that.

Mr. BYRNS. Nor are we on this side.

Mr. BEEDY. The responsibility is with the majority party for taking this agricultural bill and extending it over the whole field of currency.

Mr. HOWARD. We will take the responsibility.

Mr. BEEDY. I think there should be no proposal here to force this down with less than 9 hours of debate.

Mr. BYRNS. I hope the Rules Committee will consider the question of time.

Mr. BEEDY. I shall not object.

The SPEAKER. Is there objection?

Mr. McFADDEN. Mr. Speaker, I reserve the right to object. I am one Member of this House who will not agree to the suggestion, in respect to matters which are to determine the very life of the Nation, that we in this body shall accept without debate what has taken place in the Senate. This is the most important bill that has been before this Congress, and there should be time enough given to the Members of the House to discuss it thoroughly. No subject is so little understood in the United States as the problem involved in these amendments in respect to the currency. There are three or four separate proposals in this inflationary amendment which have been attached to the bill. Each and every one of these propositions should be understood and discussed by the membership of this House, unless we are going to surrender absolutely the powers given to the Congress under the Constitution of the United States. Unless I can have assurance that there is going to be time enough to discuss each one of these different propositions in this particular bill, I am going to object even to the granting of time within which to file the report from the Rules Committee.

Mr. BYRNS. Mr. Speaker, it is a matter for the Rules Committee to pass on the time that they will allow. After all, it will be a question with the House as to whether or not it accepts the rule reported by the Rules Committee.

Mr. McFADDEN. The gentleman has control of the majority votes on this matter. Will not the gentleman assure us now that we will have more than 3 hours' debate? There should be at least 2 days.

Mr. BYRNS. I have just said that so far as I am personally concerned I would not object to even 5 hours, but I think that is long enough on this one amendment.

Mr. McFADDEN. Reserving the right further to object, is the gentleman going to afford an opportunity to instruct the conferees, under the rule?

Mr. BYRNS. I cannot give the gentleman any assurance as to what the rule will contain. If I could, I would.

Mr. McFADDEN. Can the gentleman give us assurance that there will be more than 3 hours of debate?

Mr. BYRNS. I have just told the gentleman how I feel about it personally. I cannot answer as to what the Rules Committee will do.

Mr. McFADDEN. What is the gentleman's own view?

Mr. BYRNS. I have just told the gentleman that I would not object to 5 hours, but I think that is ample.

Mr. McFADDEN. Let me ask the gentleman this: Will the different proposals in the inflationary measure be considered separately, so that they can be discussed and acted on separately?

Mr. BYRNS. No. I have just said that I think the amendment should be considered as one amendment. That is the way it passed the Senate. Would the gentleman object, or would any other gentleman on that side object, if the gentleman from Texas [Mr. JONES] were to renew his

request for consideration of this bill tomorrow, with the understanding that amendments 1 to 84, inclusive, are to be disagreed to and sent to conference, and that then we are to discuss amendment numbered 85, the inflation amendment, for a period of 5 hours. That would obviate the necessity for a rule.

Mr. McFADDEN. I would not object to that if these matters can be divided and can be discussed and acted upon separately.

Mr. BYRNS. If the gentleman will agree to that, it will obviate the necessity for a rule.

Mr. SNELL. We cannot agree to that.

Mr. BRITTEN. Mr. Speaker, I will not agree to that, as one Member on this side of the House, because I should prefer to see the majority party bring in a rule. Let them enact legislation as they have in the past, as rubber stamps of the present administration. Why make believe that there is an agreement between us. If Congress is going to be a rubber stamp for the President, why pretend that we are in agreement? Many Republican Members are in complete disagreement with this inflation panacea. Let the Democratic majority bring in a rule, and I do not care how strong or arbitrary the gentleman makes it, because it will be passed just the same by the same votes that have heretofore surrendered all our constitutional authority to the President.

Mr. BYRNS. The gentleman has referred to rubber stamps. If we have acted as rubber stamps, we have caught the habit from the gentleman and his party during the last decade. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. CARTER of Wyoming. Mr. Speaker, I object.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the House stand in recess until called by the Speaker of the House in session, in order that the Committee on Rules may have an opportunity to bring in a rule today, so that this matter will not be thrown over until Wednesday.

Mr. LUCE. Mr. Speaker, reserving the right to object, in such a serious matter as this, for one, I regret that any considerations other than the wisdom of adequate debate have been introduced. I wish to point out that the function of the House is not only to reach decisions but also to acquaint the public in order that there may be intelligent public judgment upon what we do. I trust the gentleman will ignore any but this one consideration. As far back as the time of the Greeks there was a famous saying, "Strike but hear." For the sake of being heard and for the sake of contributing as we may to the final arbiter in these things—the people—I trust the gentleman's committee will give adequate opportunity for consideration of conflicting views.

Mr. JONES. Mr. Speaker, the regular order.

Mr. BEEDY. Mr. Speaker, I object.

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess until the call of the Speaker.

Mr. SNELL. Mr. Speaker, I make a point of order against that motion; but if the gentleman will listen, I think we can straighten it out. [Cries of "Vote!" "Vote!" "Vote!"]

Very well. I will make the point of order against the motion that the motion is not privileged.

Mr. GOSS. I make the point of order that the motion is not privileged, Mr. Speaker.

Mr. MAPES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAPES. I should like to ask if the Speaker put the unanimous-consent request of the gentleman from Tennessee [Mr. BYRNS] asking that the Rules Committee have until 12 o'clock tonight within which to file a report, and if any objection was made to that request after the gentleman from Tennessee indicated that he was willing to allow more than 3 hours' general debate.

The SPEAKER. The Chair will put the request again, without objection.

The gentleman from Tennessee asks unanimous consent that the Committee on Rules have until midnight tonight

within which to file a report on the matter under consideration.

Is there objection?

Mr. SNELL. Reserving the right to object, and I do not intend to object, of course they can simply force us to stay here and come back a little later. They can do that, so let us agree to this request and let them file a report later in the afternoon and take up this matter tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SEARS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SEARS. I wish to call attention to the fact that there are other important amendments in this bill to relieve the existing national economic emergency by increasing agricultural purchasing power (H.R. 3835) besides title 3, financing.

As the bill passed the House citrus growers of Florida can only borrow on their groves on a valuation of \$100 per acre, owing to the fact that no provision is provided enabling the appraiser to take into consideration the value of the trees on the land or the fruit on the trees. In other words, the appraiser only appraises the land and allows no value for the trees or for the fruit thereon. I understand the same restriction applies to apple and peach orchards. This is grossly unfair and as a matter of fact does not give the growers any relief. I am satisfied my colleagues did not think this provision would be so construed.

I want to call the attention of the conferees to section 41 of the bill, which is an amendment passed by the Senate, as follows:

LOANS TO FRUIT GROWERS

Sec. 41. That in making loans to owners of groves and orchards, including citrus-fruit groves and other fruit groves and orchards, the Federal land banks, the farm land banks, and all Government agencies making loans upon such character of property shall, in appraising the property offered as security, give a reasonable and fair valuation to the fruit trees located and growing upon said property and constituting a substantial part of its value.

If this amendment is concurred in by the conferees and the House, then the citrus growers of Florida may secure at least some relief.

Much has been said during the last few months about giving assistance to farmers, but the definition of a farmer is generally interpreted as only including those who grow wheat, corn, cotton, and other so-called "staples." The growing of oranges and grapefruit is an established industry and one of the backbones of Florida, and I firmly believe that Congress will not do the citrus industry a gross injustice by refusing to concur in section 41, as added to the bill in the Senate. I therefore urge the conferees in the strongest terms possible to retain this amendment in the bill.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on the question of the expansion of the currency.

Mr. SNELL. Reserving the right to object, is it the understanding that no more business is to come up?

The SPEAKER. The Chair does not know of any further business.

Mr. SNELL. It seems to me if we are going to consider this inflation matter tomorrow, the general discussion should come up then, unless we want to sit here and discuss it all day today.

Mr. PATMAN. I see no reason why we could not discuss it some this afternoon.

Mr. SNELL. With the understanding that we can get some time on this side, that will be satisfactory.

Mr. SUMNERS of Texas. Mr. Speaker, reserving the right to object, I should like to suggest to the Speaker that while there may be no other legislative matters it is my desire presently to submit a resolution. I understood the Chair to state to the gentleman from New York [Mr. SNELL] that

there would be no other business. I understood the Chair to mean by that that there would be no other legislative business.

The SPEAKER. Oh, yes; no other legislative matters.

Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

Mr. BRITTEN. Mr. Speaker, I am sorry to do so, but I must object, because there is another matter to come before the House which is very, very important and very serious. So I object.

Mr. SUMNERS of Texas. Mr. Speaker, it becomes my sad duty to announce to the House that on last Saturday morning the Honorable CLAY STONE BRIGGS, a distinguished Member from Texas, fell at his post of duty, the second member of the Texas delegation within recent months to die as a soldier dies in this great conflict in which the Members of the House and the country are engaged.

No man on either side of the House enjoyed or deserved a more universal respect and confidence than our friend who has just gone from us. He served well in his day and generation.

Mr. Speaker, I send to the desk a resolution.

The Clerk read as follows:

House Resolution 123

Resolved, That the House has heard with profound sorrow of the death of Hon. CLAY STONE BRIGGS, a Representative from the State of Texas.

Resolved, That a committee of two Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the gentleman from Texas, Mr. LANHAM, and the gentleman from Texas, Mr. BAILEY.

The Clerk will report the further resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect, this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 2, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

30. A letter from the Secretary of Commerce, transmitting draft of a bill for the relief of Mr. Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee; to the Committee on Claims.

31. A letter from the Secretary of War, transmitting a draft of a joint resolution to authorize the attendance of Mr. Posheng Yen, a citizen of China, at the United States Military Academy; to the Committee on Military Affairs.

32. A letter from the secretary of the Reconstruction Finance Corporation, transmitting a report of the activities and expenditures of the Reconstruction Finance Corporation for the month of March 1933, together with a statement of loans authorized during the month, showing the name, amount, and rate of interest in each case (H.Doc.No. 26); to the Committee on Banking and Currency and ordered to be printed.

33. A communication from the President of the United States, transmitting records of judgments rendered against the Government by the United States district courts, as follows: Department of Commerce, \$670; Navy Department, \$1,561; Treasury Department, \$12,160.44; total, \$14,391.44; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. **POU**: Committee on Rules. House Resolution 124. Resolution providing for the consideration of H.R. 3835, an act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, with Senate amendments; without amendment (Rept. No. 59). Referred to the House calendar.

Mr. **POU**: Committee on Rules. House Resolution 125. Resolution providing for the consideration of House Resolution 124, a resolution providing for the consideration of H.R. 3835, an act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, with Senate amendments; without amendment (Rept. No. 60). Referred to the House calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. **SHALLENBERGER**: A bill (H.R. 5362) to amend the provisions of the Revenue Act of 1932 relating to the tax on gasoline; to the Committee on Ways and Means.

By Mr. **MANSFIELD**: A bill (H.R. 5363) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. **SCHULTE**: A bill (H.R. 5364) to provide relief for the loss of employment by Government employees; to the Committee on the Civil Service.

By Mr. **CLARK** of North Carolina: A bill (H.R. 5365) providing for the recognition and enrollment as Cheraw Indians of certain Indians in the State of North Carolina; to the Committee on Indian Affairs.

By Mr. **JOHNSON** of Minnesota: A bill (H.R. 5366) to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to \$7,500 per annum; to the Committee on Expenditures in the Executive Departments.

By Mr. **KNUTSON**: A bill (H.R. 5367) to authorize owners of resort property to secure from the home-loan banks loans secured by mortgages and to authorize such banks to lend to members on the security of such mortgages; to the Committee on Banking and Currency.

By Mr. **MARTIN** of Colorado: A bill (H.R. 5368) to extend the provisions of the Forest Exchange Act of March 20, 1922 (42 Stat. 465); to the Committee on the Public Lands.

By Mr. **CHAVEZ**: A bill (H.R. 5369) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928; to the Committee on the Public Lands.

Also, a bill (H.R. 5370) granting certain public lands to the State of New Mexico for the use and benefit of the Spanish-American Normal School, and for other purposes; to the Committee on the Public Lands.

By Mr. **POU**: Resolution (H.Res. 124) providing for the consideration of H.R. 3835, an act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, with Senate amendments; to the Committee on Rules.

Also, resolution (H.Res. 125) providing for the consideration of House Resolution 124, a resolution providing for the consideration of H.R. 3835, an act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, with Senate amendments; to the Committee on Rules.

By Mrs. **NORTON**: Resolution (H.Res. 126) to authorize appropriation for expenses of subcommittee of Committee on the District of Columbia; to the Committee on Accounts.

Also, joint resolution (H.J.Res. 169) proposing an amendment to the Constitution of the United States providing for national representation for the people of the District of Columbia; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the **SPEAKER**: Memorial of the Territory of Alaska, memorializing Congress to give favorable consideration to the Wheeler bill, S. 2487; to the Committee on Banking and Currency.

Also, memorial of the Commonwealth of Massachusetts, memorializing Congress relative to a tariff to protect the fishing industry; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. **CHAVEZ**: A bill (H.R. 5371) to provide for payments to certain property owners in New Mexico for losses caused by the floods in the Rio Grande Valley during 1929; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 5372) to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921; to the Committee on Claims.

Also, a bill (H.R. 5373) for the relief of Juan Apodaca; to the Committee on Military Affairs.

Also, a bill (H.R. 5374) authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora Grant, N.Mex.; to the Committee on the Public Lands.

Also, a bill (H.R. 5375) for the relief of Albert Gonzales; to the Committee on Claims.

Also, a bill (H.R. 5376) for the relief of Sigmund Lindauer; to the Committee on Claims.

Also, a bill (H.R. 5377) for the relief of Arthur B. Hastie; to the Committee on Military Affairs.

Also, a bill (H.R. 5378) for the relief of John W. Harvey; to the Committee on Military Affairs.

Also, a bill (H.R. 5379) granting a pension to Andrew M. Hall; to the Committee on Pensions.

Also, a bill (H.R. 5380) granting a pension to Charles Cerny; to the Committee on Pensions.

Also, a bill (H.R. 5381) granting a pension to William D. Kershner; to the Committee on Pensions.

Also, a bill (H.R. 5382) for the relief of Felix Griego; to the Committee on Military Affairs.

Also, a bill (H.R. 5383) for the relief of James D. McCaffrey; to the Committee on Military Affairs.

By Mr. **JOHNSON** of Oklahoma: A bill (H.R. 5384) for the relief of Sgt. John F. Hartman; to the Committee on Military Affairs.

By Mr. **SHANNON**: A bill (H.R. 5385) granting a pension to Joseph Ladish; to the Committee on Pensions.

By Mr. **SWANK**: A bill (H.R. 5386) for the relief of John Hamilton; to the Committee on Military Affairs.

By Mr. **SWEENEY**: A bill (H.R. 5387) for the relief of Joseph Gebo; to the Committee on Military Affairs.

By Mr. **WIGGLESWORTH**: A bill (H.R. 5388) for the relief of Napoleon Moran; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

809. By Mr. ANDREW of Massachusetts: Petition adopted by Massachusetts House of Representatives, urging reasonable tariff protection for the fishing industry; to the Committee on Ways and Means.

810. By Mr. ARENS: Petition of New York Mills National Farm Loans Association that Federal land banks and Federal agencies should defer foreclosures until Government action on farm relief; to the Committee on Ways and Means.

811. Also, petition of Charles Munn, speaker of the House of Representatives of the State of Minnesota, adopted by the house of representatives on the 8th day of April 1933, and signed by Frank Starky, chief clerk of the House of Representatives of the State of Minnesota, that Federal action be taken relative to unemployment insurance, that it is unwise and unfair to Minnesota labor and Minnesota industries to have Minnesota be the first, or one of the few States, to adopt compulsory unemployment insurance laws, and also memorialize Congress to create a special commission or board to study this question; to the Committee on Ways and Means.

812. Also, petition of the Central Cooperative Wholesalers, A. J. Hayes, chairman, requesting the Senators and Congressmen of Wisconsin, Minnesota, and Michigan to use their efforts to secure an amendment of the Revenue Acts of 1926 and 1928, so that the Consumers Cooperative Association would be exempt under the revenue acts; to the Committee on Ways and Means.

813. Also, petition of the Central Labor Political Committees of Duluth and Proctor, R. A. Olson, chairman, and Milton Carlson, secretary, memorializing Congress to issue money and establish the value thereof, and that Congress extend to the several States of the Union the same courtesy which is extended to the Federal Reserve bank in the matter of loaning money, and issue directly to the said States on the security of the natural resources of such States, money to be loaned directly to the people through such agencies; to the Committee on Banking and Currency.

814. By Mr. CRAVENS: Petition of Arkansas-Oklahoma Coal Operators' Association, protesting against the passage of the Black bill, S. 158; to the Committee on Labor.

815. By Mr. EVANS: Petition of John Alferi, favoring the payment of the bonus; to the Committee on Ways and Means.

816. By Mr. GIBSON: Petition of the American Legion, Department of Vermont, opposing the proposed cut in the funds appropriated for national defense; to the Committee on Appropriations.

817. By Mr. HOLMES: Petition of the Worcester Chamber of Commerce, Worcester, Mass.; to the Committee on Labor.

818. By Mr. JOHNSON of Minnesota: Resolution of Watonwan County Legislative Committee, favoring refinancing of farm mortgages and controlling inflation; to the Committee on Agriculture.

819. By Mr. LINDSAY: Petition of Brotherhood of Railroad Trainmen, legislative board, Albany, State of New York, favoring the enactment of the Crosser bill, H.R. 4876; to the Committee on Interstate and Foreign Commerce.

820. Also, petition of Briede & Rogovsky, Inc., wholesale tailors, Chicago, Ill., opposing the 30-hour week bill; to the Committee on Labor.

821. Also, petition of John Drzazga, of Jamaica, N.Y., favoring the 30-year retirement bill; to the Committee on Appropriations.

822. Also, petition of Young Men's Board of Trade, New York City, opposing ratification of the proposed treaty with Canada concerning the St. Lawrence seaway; to the Committee on Foreign Affairs.

823. Also, petition of Klein Bros., silk manufacturers, New York City, opposing House bill 3759; to the Committee on Banking and Currency.

824. Also, petition of American Federation of Government Employees, Lodge No. 36, Brooklyn, N.Y., favoring optional

amendment to 30-year retirement bill; to the Committee on Appropriations.

825. Also, petition of the American News Co., Inc., New York City, opposing House bill 3759; to the Committee on the Judiciary.

826. Also, petition of Parke, Davis & Co., New York City, opposing House bill 3759; to the Committee on the Judiciary.

827. Also, petition of the Baker Castor Oil Co., New York City, opposing House bill 3759; to the Committee on the Judiciary.

828. Also, petition of the National Grange, American Farm Bureau Federation, Washington, D.C., favoring the Goldsborough bills, H.R. 5073 and 5160; to the Committee on Banking and Currency.

829. Also, petition of Edward Quittner, New Rochelle, N.Y., urging support of House bill 95, for an investigation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

830. By Mr. RUDD: Petition of the Young Men's Board of Trade, New York City, opposing the ratification of the proposed treaty with Canada concerning the St. Lawrence seaway; to the Committee on Foreign Affairs.

831. Also, petition of Brotherhood of Railroad Trainmen Legislative Board, State of New York, favoring the passage of the Crosser bill, H.R. 4876; to the Committee on Interstate and Foreign Commerce.

832. Also, petition of Brooklyn Chapter, No. 28, Disabled American Veterans of World War, protesting against giving the President power to modify or cancel any contract unless it exempts insurance policies from the operations of its provisions; to the Committee on Appropriations.

833. Also, petition of American Federation of Government Employees, Lodge No. 36, Brooklyn, N.Y., opposing the Director of the Budget's recommendations and dictatorship, etc.; to the Committee on Appropriations.

834. Also, petition of Parke, Davis & Co., New York City, protesting against the passage of House bill 3759; to the Committee on Banking and Currency.

835. Also, petition of the Baker Castor Oil Co., New York City, protesting against the passage of House bill 3759; to the Committee on Banking and Currency.

836. Also, petition of Klein Bros., New York City, opposing the passage of House bill 3759, or any similar bill; to the Committee on Banking and Currency.

837. By Mr. HOWARD: Resolution memorializing the Secretary of Agriculture of the United States to institute prosecution against Swift & Co., Armour & Co., and Cudahy Packing Co. for violation of the Sherman Anti-Trust Act, as adopted by the House of Representatives of Nebraska; to the Committee on Agriculture.

838. By Mr. THOMASON of Texas: Petition of disabled veterans, business men, and other citizens of western Texas, transmitting resolutions adopted in regard to legislation affecting veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

839. By Mr. TREADWAY: Memorial of the House of Representatives of the General Court of Massachusetts, urging reasonable tariff protection for the fishing industry of the United States; to the Committee on Ways and Means.

840. By the SPEAKER: Petition of Cecil W. Rote and other citizens of Oklahoma City, Okla., favoring compulsory retirement of all classified civil-service employees after 30 years' service; to the Committee on the Civil Service.

SENATE

TUESDAY, MAY 2, 1933

(Legislative day of Monday, May 1, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.